

**STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
AMENDMENT TO TITLE 10, CHAPTER 5, SUBCHAPTER 9
CALIFORNIA CODE OF REGULATIONS
TO ADD**

ARTICLE 1 Life and Annuity Consumer Protection Program

AMENDED TEXT OF PROPOSED REGULATIONS

The 15-day amendments to the proposed regulations are indicated by strikeout for deletions and underlining for additions.

Article 1. Life and Annuity Consumer Protection Program

§2698.23.1. Definitions

For the purposes of these regulations, the following definitions apply:

- (i) “Life insurance and annuity financial abuse” ~~means, among other things~~ includes but is not limited to, the sale or attempted sale of any product, including a life insurance policy or an annuity product through misrepresentation as to the benefits, terms or conditions of the policy or product, to a person who will not benefit as represented from the sale because of the cost of twisting or churning, or the unsuitability of the product for the needs and status of the targeted buyer. In addition, a ~~A~~ violation of any of the following code sections, including but not limited to, Insurance Code sections 780, 781, 785, 786, 787, 788, 788.5, 788.7, 789.8, 789.9, 789.10, and/or Business and Professions Code sections 17500, 175000.3, Penal Code sections 368, 459, 470, 487, 532, and/or Welfare and Institutions Code section 15610.30, in the sale or attempted sale of any insurance product, including but not limited to, life insurance and annuities, shall constitute “life insurance and annuity financial abuse” for the purposes of these regulations.

NOTE: Authority cited: Section 10127.17, California Insurance Code. Reference: Section 10127.17, California Insurance Code.

§2698.25.3. District Attorney Reporting

- (a) Each Grantee shall submit a Program Report to the Department no later than thirty (30) days after the end of the first year of the Grant Funding Cycle. The Program Report shall include the following: a narrative description of the funded activities, how those activities have resulted in increased reporting and/or helped reduced the number and/or severity of life insurance and annuity financial abuse cases in the county; a summary of key cases investigated/prosecuted during the Grant Funding Cycle including pending cases and cases which have reached a verdict; the disposition of those case, including any restitution paid to the victim and any other relevant information and statistical data. This information may be provided without any victim/defendant specific identifying information.

NOTE: Authority cited: Section 10127.17, California Insurance Code. Reference: Section 10127.17, California Insurance Code.

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§2698.27 Commissioner Authority

- (d) The Commissioner may terminate the Agreement for cause, other than the exercise of prosecutorial discretion, with at least thirty (30) days written notice to Grantee, except, if the Commissioner has evidence of fraud, the Agreement may be terminated immediately. The Grantee may terminate the Agreement at will upon written notice to the Commissioner and the return of unexpended funds to the Department within thirty (30) days of the termination date.

NOTE: Authority cited: Section 10127.17, California Insurance Code. Reference: Section 10127.17, California Insurance Code.